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UNCLAS SAN SALVADOR 003045

SIPDIS

STATE FOR PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A

TAGS: [ETTTC](#) [KOMC](#) [ES](#)

SUBJECT: BLUE LANTERN 05-973965

REF: A. STATE 193451

[B](#). 97 SAN SALVADOR 5192

[1](#)1. On November 1, 2005, Econoff visited the business office and a retail outlet of Tiros Cobra-CA, S.A. de C.V. (Tiros), the subject of Ref. A pre-license end-use check. He met with Yanira Elizabeth de Melara, who in function appears to be the general manager but introduced herself as the owner's assistant. Tiros, which previously operated as Expocafe (see Ref B.), has a well-established customer base, maintains good sales records, and has adequate physical security. Post believes Tiros is a reliable recipient of USML items.

#### Business Structure

[1](#)2. Tiros is owned by Rene Llorc and Carmen Salgado de Llorc, who are husband and wife. The Llorcs had previously owned a coffee plantation, but began selling ammunition and arms in 1996 under the name of their coffee business, Expocafe. (Note: In El Salvador, it is not unusual for owners of agricultural plantations to diversify into unrelated lines of business. End note.) A year ago they decided to change the name of the company as part of a rebranding effort. Tiros now operates 15 retail outlets throughout the country, as well as a facility that manufactures ammunition using U.S. components. However the company does not make .22 caliber ammunition, the subject of this check. Tiros does not import weapons directly, but sells arms imported by others.

#### Customer Base

[1](#)3. Tiros' clients include private individuals, security firms, and other retailers. Records show that the business maintains a large and diversified customer base. Ms. de Melara said that the 30,000 rounds .22 caliber ammunition imported in the transaction that is the subject of this check, plus an addition 70,000 rounds purchased in April 2005 from another U.S. vendor, would be sold roughly half to retail clients and half to wholesale clients. By law, Ms. de Melara said Tiros may not import more 100,000 rounds of a given caliber in a year.

#### Record-Keeping and Security

[1](#)4. Documentation is well maintained--all sales of arms and ammunition are recorded in designated ledgers. Physical security is adequate. The retail outlet visited by Econoff was located in a shopping center within a bus depot in San Salvador. The bus depot, which occupies one-half of a city block, is secured by three armed guards located at the perimeter of the facility. Another armed guard at the rear of the bus depot is posted about ten feet from the retail outlet. During business hours, Tiros' retail outlet is accessible through an unlocked door. Display cases for weapons are unlocked, and ammunition is stored in an unlocked closet. After hours, the store is protected by a locked steel cage. Ms. de Melara said that security varies according to store location, and that other store that did not have armed guards on site had better access control.

#### USML Restrictions and Local Licensing

[1](#)5. Ms. de Melara is generally aware of restrictions on USML articles. Tiros is licensed by the Ministry of Defense to import and sell--both retail and wholesale--the ammunition that is the subject of this check.

Barclay